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Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions

Report of the Secretary-General

I. Introduction

1. The General Assembly, in paragraph 2 of its resolution 35/221 of 17 December 1980, decided that the compensation and other conditions of service of the full-time members of the International Civil Service Commission (ICSC) and of the Chairman of the Advisory Committee on Administrative and Budgetary Questions would be reviewed normally every five years. The last such review was done in 1995 during the fiftieth session of the General Assembly. By its resolution 50/216 (VI) of 23 December 1995 the General Assembly took note of the relevant report of the Secretary-General (A/C.5/50/12). In paragraph 19 of that report, it was stated that, in accordance with the decision taken by the General Assembly in paragraph 2 of its resolution 35/221 in respect of the periodic review of the compensation and other conditions of service of the Chairman of the Advisory Committee and the Chairman and Vice-Chairman of ICSC, the next review would be undertaken at its fifty-fifth session in 2000. Thus, the present report is being submitted in accordance with the established schedule of quinquennial reviews of the conditions of service of the three officials concerned.

2. In order to facilitate consideration of the various issues regarding the compensation and conditions of service of these officials, the report has been divided into five sections: compensation, other conditions of service, post-retirement benefits, financial implications and the next comprehensive review.

II. Compensation

3. On the occasion of the 1990 review, the General Assembly, by its resolution 45/249 of 21 December 1990, reaffirmed the principle that the conditions of service of the three officials should be separate and distinct from those of the United Nations Secretariat.[1]

4. With effect from 1 January 1982, as a consequence of the adoption of General Assembly resolution 35/221, the annual net compensation of the three officials is increased in January of each year by 90 per cent of the movement of the consumer price index (CPI) for New York since the last adjustment (rounded to the nearest whole number), provided that the index has increased by at least 5 per cent (see also A/C.5/35/53, para. 11). The movement of the CPI is measured over the period from November to November

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on each occasion. The additional special allowance of $8,000 for the Chairman of the Advisory Committee and the Chairman of ICSC is not subject to annual adjustment.

5. With effect from 1 January 1996, the annual net compensation of the three officials concerned was increased by 7 per cent (90 per cent of the CPI increase of 7.6 per cent over the period from November 1992 to November 1995, rounded to the nearest whole number) (ibid., para. 11 (b)). Over the period from November 1995 to November 1996, the CPI for New York increased by 2.8 per cent. As the required 5 per cent trigger had not been met, no adjustment was made in the level of annual compensation as of 1 January 1997. Over the two-year period from November 1995 to November 1997, the CPI for New York increased by 5.01 per cent. Ninety per cent of the latter amounted to 4.5 per cent, which when rounded to the nearest whole number, represented a 5 per cent increase in the annual net compensation of the officials concerned. That increase was effected from 1 January 1998. Over the period from November 1997 to November 1999, the CPI for New York increased by 3.95 per cent in total. As the required 5 per cent trigger point was not reached, no annual adjustment to the net salary was effected as from 1 January 1999 and 1 January 2000. Accordingly, the annual net compensation for the Chairman of the Advisory Committee and the two full-time members of the Commission has remained unchanged since 1 January 1998. Evolution of the annual compensation of these three officials in dollar terms may be seen in the annex to the present report.

6. Between November 1997 and October 2000, the CPI for New York rose by 7.3 per cent. By November 2000, it is projected to be at a level approximately 7.5 per cent higher than that of November 1997. Consequently, based on the adjustment procedure in effect, it is anticipated that the annual net compensation of the three officials would be increased by some 7 per cent beginning on 1 January 2001, rounded to the nearest whole number.

7. With regard to the level of compensation of the three officials, it should be recalled that the Secretary-General, in his report to the General Assembly at its thirty-eighth session, noted, as follows:

> "After careful review of the developments over the years, it seems obvious that the basic principles enunciated in the past should continue to apply namely, that the compensation and other conditions of service of the full-time officials other than staff members should continue to be set by the General Assembly and that there should be no direct or automatic link to the salary system applicable to staff of the United Nations common system. At the same time, it is useful to recall the views expressed by the Secretary-General in the comprehensive study undertaken in 1976 on the criteria to be applied to determine the emoluments of the members of the International Court of Justice, namely, that 'the United Nations system forms, in a sense, a structure within which the interrelationship between the top posts has probably more importance than comparison with positions outside the United Nations'. It is for this reason that the long-standing practice has been to take into account the level of remuneration of senior Secretariat officials in determining the appropriate remuneration for members of organs or subsidiary organs of the United Nations appointed by the United Nations to serve in their individual capacity on a full-time basis" (A/C.5/38/27, para. 41).

Accordingly, based on previous practice, the relevant information on the remuneration levels of referenced senior Secretariat officials for the period 1995-2000 is provided in the annex to the present report.

8. It could be noted from the data contained in the annex that, in January 1996, the total annual net compensation of the Chairman of the Advisory Committee and the Chairman of ICSC was equivalent to 97 per cent of the annual net compensation of the referenced senior Secretariat officials level. In recent years, this relativity has been eroded. As of 1 January 2000, the annual net compensation of the Chairman of the Advisory Committee and the Chairman of ICSC represents 90.4 per cent of the annual net salaries of the referenced senior officials level. In order to restore the relativity that existed in 1996, the Secretary-General would recommend that, in addition to the cost-of-living increase that would be due effective 1 January 2001, an additional of 3.1 per cent increase be granted to the current levels of remuneration for the Chairman of the Advisory Committee and the Chairman and Vice-Chairman of ICSC. This measure would restore the relationship with respect to annual net remuneration of the two Chairmen that existed at the time of the last comprehensive review.

9. As established by the General Assembly in its resolution 45/249, the annual net compensation of the three officials should remain separate and distinct from those of officials of the Secretariat, subject to the interim procedure outlined above. As previously noted, since 1996, adjustments to the annual compensation have been sporadic. Thus, the level of compensation of these officials has been negatively affected, as adjustments have occurred infrequently and, when they have taken place, there has been a lag in bringing the levels of compensation up to date. Accordingly, the Secretary-General would recommend that the provision approved by the General Assembly in paragraph 3 of its resolution 35/221 that the CPI index should have moved a minimum of 5 per cent in order to effect a revision on the net annual compensation for the three officials concerned, be modified so that, beginning in January 2001, the annual net remuneration of the Chairman of the Advisory Committee and the Chairman and Vice-Chairman of ICSC would be adjusted every year based on 90 per cent of the CPI movement for New York measured over the period from November to November. Should the General Assembly agree with this recommendation, this would ensure that the level of compensation for the Chairman of the Advisory Committee and the Chairman and Vice-Chairman of ICSC is revised each January following the movement in the CPI for New York.

10. With regard to the special allowance payable to the Chairman of ICSC and the Chairman of the Advisory Committee in recognition of their added responsibilities, it may be recalled that the amount of the allowance was last revised in 1990 and established at $8,000 per annum with effect from 1 January 1991, by the General Assembly in its resolution 45/249. Since then, the level of the special allowance for the Chairman of the Commission and the Chairman of the Advisory Committee has remained unchanged. Accordingly, following the approach endorsed by the General Assembly with respect to the review of the level of the special allowance, the Assembly may wish to consider revising the amount with effect from 1 January 2001. An increase of the allowance to approximately $10,000 would bring the total annual remuneration of each of the two Chairmen to $159,691, which would represent 97 per cent of the annual net remuneration of $164,631 payable to referenced senior Secretariat officials with dependants as of 1 January 2001. Thus, the relationship that existed at the time of the last comprehensive review would be restored.

III. Other conditions of service

11. The other conditions of service of the Chairman of the Advisory Committee on Administrative and Budgetary Questions and the Chairman and Vice-Chairman of ICSC for the period 1948-1990 were set out in paragraphs 16 to 28 of the 1990 report of the Secretary-General (A/C.5/45/21). By its resolution 45/249, the General Assembly approved new provisions for the payment of installation grant to those officials[2] and compensation to survivors in the event of death during service.[3] By the same resolution, the Assembly approved the proposal that the amount of reimbursement for costs of education be increased in line with its resolution 43/226 of 21 December 1988 and subject to the same ceiling, together with the application of provisions concerning disabled children. Provision also continued to be made for one related trip per year from the place of scholastic attendance when outside the country of the duty station. Further, any increases in the level of the education grant or changes in the provisions regarding disabled children decided by the Assembly were extended to the three officials.[4] The General Assembly decided that the other conditions of service for those officials, with the exception of the level of pensionable remuneration (see sect. IV below) should remain unchanged.

12. The Commission reviewed the education grant in 1996 and 1998. By section IV of its resolution 51/216 of 18 December 1996 and section II.A of its resolution 53/209 of 18 December 1998, the General Assembly approved increases in the maximum reimbursement levels in various currency areas for the education grant. ICSC has also reviewed the education grant in 2000 and its recommendations concerning increases in the maximum reimbursement levels in various currency areas of the education grant are before the General Assembly at its current session.[5]

13. No change is proposed with regard to the manner of application of these other conditions of service of the Chairman of the Advisory Committee and the Chairman and Vice- Chairman of ICSC at this time.

IV. Post-retirement benefits

14. The situation with regard to post-retirement benefits for the three officials during the period 1978-1995 was outlined in paragraphs 29 to 31 of the 1995 report of the Secretary-General (A/C.5/45/21). They

became participants in the United Nations Joint Staff Pension Fund, under supplementary article B of the Regulations of the Fund, beginning on 1 January 1983. Their pensionable remuneration was set at $120,000 a year, subject to adjustment on the same dates and by the same percentage amounts as applicable to staff in the Professional and higher categories, under article 54 of the Regulations.

15. In the light of section III of General Assembly resolution 39/246 of 18 December 1984, by which the direct linkage between pensionable and gross salaries was removed, the pensionable remuneration of the three officials remained unchanged from 1983 until 1990.

16. On the occasion of the 1990 review, the General Assembly, following the recommendation of the Advisory Committee on Administrative and Budgetary Questions, by its resolution 45/249 decided to increase the level of pensionable remuneration of the Chairman of the Advisory Committee and the Chairman of ICSC to $140,000 per annum and the Vice-Chairman of ICSC to $130,000 per annum, with effect from 1 January 1991.

17. In section III, paragraphs 3 and 4, of its resolution 46/192 of 20 December 1991, the General Assembly endorsed the recommendations of ICSC that officials appointed or elected to ungraded positions who become participants in the Pension Fund should have their pensionable remuneration determined in accordance with the methodology set out by the Commission and adjusted between comprehensive reviews in accordance with the procedure applicable for adjustment of the scale of pensionable remuneration of staff in the Professional and higher categories, as set out in article 54 (b) of the Regulations of the Fund.[6]

18. Following the provisions of General Assembly resolution 46/192, the pensionable remuneration was last revised as from 1 January 1998, when the level for the Chairman of the Advisory Committee and the Chairman of ICSC was set at $176,400 and, for the Vice-Chairman of ICSC, at $166,950. As mentioned above, the CPI for New York has not moved by the minimum 5 per cent during the years 1997-1999. Therefore, the level of pensionable remuneration for the three officials remains unchanged since 1 January 1998.

19. As has been suggested in section II above, the annual net remuneration of the three officials should be revised in January 2001. Accordingly, their pensionable remuneration should also be adjusted at the same time and by the same percentage as that used to adjust their annual compensation. Based on the estimated movement of 7 per cent in the CPI for New York, and the proposed 3.1 per cent adjustment to restore salary relativities, the pensionable remuneration of the Chairman of the Advisory Committee and the Chairman of ICSC should be revised from $176,400 to $194,599 and, for the Vice-Chairman of ICSC, the pensionable remuneration level should be revised from $166,950 to $184,174 with effect from 1 January 2001.

V. Financial implications

20. Should the General Assembly approve the suggestions outlined in paragraphs 8 to 10 and 19 above, it is estimated that the additional requirements of $32,100 for 2001 would arise in the biennium 2000-2001. Accordingly, additional appropriations of $18,800 and $13,300 would be required under sections 1 and 29, respectively, of the programme budget for the biennium 2000-2001. In connection with the additional requirements of $13,300 under section 29, Jointly financed administrative activities, that amount represents the United Nations share of the total additional costs of $35,600 that would arise with respect to the two full-time members of ICSC.

VI. Next comprehensive review

21. In accordance with the decision taken by the General Assembly in paragraph 2 of its resolution 35/221 in respect of the periodic review of the compensation and other conditions of service of the Chairman of the Advisory Committee and the Chairman and Vice-Chairman of ICSC, the next comprehensive review will be undertaken at the sixtieth session of the Assembly in 2005.

Notes

[1] See also the fourteenth report of Advisory Committee on Administrative and Budgetary Questions on the programme budget for the biennium 1990-1991, *Official Records of the General Assembly, Forty-fifth Session, Supplement No. 7* (A/45/7/Add.13).

[2] The grant was not payable to the incumbents at that time and is applicable to their successors only if they were

not residing at the duty station at the time of their appointment (see A/C.5/45/21, paras. 42-43 and 45, and the related report of the Advisory Committee, *Official Records of the General Assembly, Forty-fifth Session, Supplement No. 7* (A/45/7/Add.13), para. 3).

[3] Comprising a lump-sum equivalent to one month of the annual compensation of the official per year of service, subject to a minimum of three months and a maximum of nine months (see A/C.5/45/21, paras. 44 and 45, and the related report of the Advisory Committee on Administrative and Budgetary Questions, *Official Records of the General Assembly, Forty-fifth Session, Supplement No. 7* (A/45/7/Add.13), para. 3).

[4] See A/C.5/45/21, paras. 46-48, and the related report of the Advisory Committee on Administrative and Budgetary Questions, *Official Records of the General Assembly, Forty-fifth Session, Supplement No. 7* (A/45/7/Add.13), para. 4.

[5] *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 30* (A/55/30), chap. III, part E, paras. 93-95.

[6] See report of the International Civil Service Commission for the year 1991 (ibid., *Forty-sixth Session, Supplement No. 30* (A/46/30), vol. I, paras. 64-66).

Annex

Evolution of the annual net compensation of the Chairman of the Advisory Committee on Administrative and Budgetary Questions and the Chairman and Vice-Chairman of the International Civil Service Commission, compared with that of senior officials of the Secretariat at Headquarters

Year	*Chairman of ACABQ and ICSC*[a]	*Vice-Chairman of ICSC*	*Assistant Secretary-General with dependant*[d]	*Assistant Secretary-General without dependant*[d]	*Under-Secretary-General with dependant*[e]	*Under-Secretary-General without dependant*[e]
Jan. 1995	128 776	120 776	121 263	110 000	132 942	119 880
Jan. 1996	137 230	129 230	128 949	116 923	141 322	127 400
Jan. 1997	137 230	129 230	134 195	121 762	147 041	132 616
Jan. 1998	143 692	135 692	136 557	123 900	149 617	134 931
Jan. 1999	143 692	135 692	140 228	127 263	153 620	138 609
Jan. 2000	143 692	135 692	145 169	131 737	159 004	143 495
Jan. 2001 (projected)	159 691[b,c]	149 691[b]	150 329[f]	136 410[f]	164 631[f]	148 558[f]
Percentage increase 1996-2001	16.4	15.8	16.6	16.6	16.5	16.6

[a] Including a special allowance of $8,000 per annum.

[b] Assumes a 7 per cent interim adjustment to annual net compensation and current entitlements for other conditions of service based on the movement of cost of living and a 3.1 per cent adjustment to maintain previous relativities.

[c] Assumes an increase in the special allowance from $8,000 to $10,000 per annum.

[d] Including a representation allowance of $3,000 per annum.

[e] Including a representation allowance of $4,000 per annum.

[f] Reflecting a 3.63 per cent adjustment in the post adjustment multiplier for New York, effective 1 November 2000.